



RULES AND OPEN GOVERNMENT COMMITTEE

Meeting Report
May 18, 2011

PRESENT: Mayor Reed, and Councilmembers Constant and Oliverio

ABSENT: Vice-Mayor Nguyen

STAFF: Assistant City Manager Ed Shikada, City Attorney Richard Doyle, City Clerk Dennis Hawkins, Redevelopment Agency Assistant Director Gary Miskimon, CMO Agenda Services Manager Nadine Nader, Mayor's Council Agenda Manager Sara Wright and Deputy City Clerk Tamara Davis

A. City Council

1. Review Final Agenda for May 24, 2011

Action: The Committee approved the final agenda, as amended. Item 2.13 (Agreement for City Design Services with the Santa Clara Valley Transportation) was deferred until June. Item 3.4 (City Manager's Fiscal Reform Plan) will be heard first after the consent calendar. Item 4.2 (Actions Related to Implementation of the School of Arts & Culture at the Mexican Heritage Plaza) will be heard last on the agenda with a revision that authority is given only to negotiate agreements, staff would need to return to Council for authorization to execute any agreements as part of the budget process.

2. Review of Draft Agenda for May 31, 2011

Action: The Committee approved the draft agenda as amended and noticed as a special meeting with a start time of 10:00 a.m.

B. Redevelopment Agency (RDA)

1. Review Final Agenda for May 24, 2011

Action: The Committee cancelled the meeting except for any closed or joint session items.

2. Review Draft Agenda for May 31, 2011

Action: None – the Committee will review and discuss any agenda items at its next meeting.

C. Review of Upcoming Study Session Agenda(s) - None.

D. Legislative Update

1. State

Document Filed: (1) Memorandum from City Manager Debra Figone to the Rules and Open Government dated May 18, 2011 recommending support of AB 579 (Monning) – Land use: Mobilehome park Attorney Fees; and (2) Memorandum from City Manager Debra Figone to the Rules and Open Government dated May 18, 2011 recommending support of AB 1167 (Fong) – Interagency Council on Homelessness

Director of Intergovernmental Relations Betsy Shotwell reported that the Governor issued his May Budget revise on May 16, and the State has \$6.6 billion in unexpected revenue. The Redevelopment Agency is still slated for elimination. Other proposed cost savings are the closure of state parks, selling of state buildings, and the elimination of over 40 boards and commissions. The Governor is still pushing for various tax extensions to pay for Public Safety realignment.

Kristin Clemons with the Housing Department provided a brief update on AB 579 and informed the committee that the bill would allow the City to recoup attorney's fees for defending the City's Mobile home ordinance, but indicated that no action was necessary on the bill at this time. Additionally, she provided an update on AB 1167 and reminded the Committee that it is similar to a bill the City supported in 2009. Mayor Reed commented that this is modeled on the federal council and there are no costs involved.

Public Comment: David Wall expressed his lack of support for AB 1167 stating that it lacked substance and doesn't fully address a number of the issues around homelessness.

Action: The Committee recommended support for AB 1167 (Fong) and forwarded it to the City Council for formal action on May 24, 2011.

2. Federal - None

E. Meeting Schedules - None

F. The Public Record

Document Filed: Memorandum from City Clerk Dennis Hawkins dated May 13, 2011 transmitting the Public Record for the week of May 9 – May 12, 2011.

Public Comment: David Wall pulled his items (f), (g), (h), and (i) and provided additional comments.

Action: The Public Record was noted and filed.

G. Boards, Commissions and Committees

1. Appointments

a. Update on Elections Commission recruitment (Verbal Report) (City Clerk)

The City Clerk provided a verbal update to the Committee about the status of the Elections Commissions recruitment. The Council appointed two commissioners on March 15, 2011 and there is still one vacancy. The Office of the City Clerk reopened the recruitment and received one new applicant and has two applications from the previous recruitment. The City Clerk sought input from the Committee on whether to reopen the recruitment for another 90 days or submit the current applicants for review by the council. The City Clerk indicated that the Commission still has quorum and can meet to discuss items.

Councilmember Oliverio stated that he preferred to reopen the recruitment for 90 days. The Mayor suggested taking additional time to recruit a commissioner.

Action: The Committee directed the City Clerk to reopen the recruitment and report back in to the Committee in 90 days.

2. Workplans
 3. Annual Reports
- None.

H. Rules Committee Reviews, Recommendations and Approvals

1. Workload Assessment for Council Requests and Referrals
None.
2. **Approve the Drafting of a Resolution in Opposition to AB 1158 (Calderon) (Increasing Payday Loan Amounts). (Vice-Mayor Nguyen, Councilmembers Kalra, Campos, and Liccardo)**

Documents Filed: (1) Memorandum from Vice-Mayor Nguyen and Councilmembers Kalra, Campos, and Liccardo to the Rules and Open Government Committee dated May 11, 2011 regarding Resolution in Opposition to AB 1158 (Increasing Payday Loan Amounts); (2) Letter from Community Financial Services Association & California Financial Service Providers to Mayor Reed and Council dated May 18, 2011 regarding Proposed Rules Committee Review to Approve the Drafting of a Resolution in Opposition to AB 1158 (Calderon)

The Mayor asked Betsy to work with Attorney's office to prepare an analysis of pros/cons of AB 1158 (Calderon) and suggest putting on the item on the Council's 5/24 agenda so a discussion can take place and a position can be issued.

Councilmember Constant stated that it is improper to take a position on an item before an analysis has been completed. The Councilmember expressed that this is a consumer choice and they should take personal responsibility. He drew a comparison between late fees for not paying bills and fees for writing bad checks, it is a choice. The councilmember does not support getting involved in this process.

Councilmember Kalra provided background on the memo and informed the Committee that the problem of payday loans is getting worse and believes that AB 1158 (Calderon) will exacerbate the problem statewide. He highlighted the fact that other governmental bodies and community organizations have already expressed their disapproval of this bill.

Public Comment: Manny Diaz, representing the trade association of the pay day loan organizations, requested that the Committee not take a position on this bill stating it will not go to the Governor before September. He also expressed that is important not to predetermine a policy direction on payday industry practices. He suggested that the Committee table the issue pending the results of the study of pay day loan practices funded by the Silicon Valley Community Foundation grant.

Gina Gates, Most Holy Trinity PACT, believe this bill this is another clever way for the financial industry to take money from the community and compared it to loan sharking activities. She indicated that Most Holy Trinity PACT opposes increases in payday loan amounts.

Kyra Kazantzis expressed support for the resolution on behalf of 41 organizations of a coalition opposed to pay day lender, citing interest rates as high as 414% Annual Percentage Rate (APR). She opposes AB 1158 and encouraged the Committee to do so which she believes would preserve the status quo and give the City time to decide what it wants to do on the subject.

Jamahl Amen, Center for Responsible Lending, a nonprofit banking financial reform policy research group, expressed support for the resolution. He believes pay day lending unfairly targets communities of color and increased limits would place borrowers in greater debt.

Allison Lasser, Sacred Heart Community Services, expressed support for the resolution calling payday lending a predatory practice.

Peter Seego, AARP, believes that payday lending is a predatory practice that targets low-income seniors. He urged the committee to oppose AB 1158.

Action: The Committee did not take any action.

- 3. Guiding Principles for Legislation Related to Redevelopment.**
 - (a) Approve a general set of "Guiding Principles" for the support of legislation related to redevelopment.**
 - (b) Authorize the City Manager, Agency Executive Director and City's State Legislative Advocate to advocate for legislation that conforms to the concepts contained in the approved "Guiding Principles." (City Manager's Office/Redevelopment Agency)**

Documents Filed: Memorandum from City Manager Debra Figone and RDA Director Harry S. Mavrogenes to the Rules and Open Government Committee dated May 13, 2011 regarding Guiding Principles for Legislation Related to Redevelopment Reform

Public Comments: David Wall suggested that City Councils have caused the problem with the Redevelopment Agencies that is prompting Governor Brown to want to get rid of them. He commented on the amount of redevelopment debt that has been created over the last 12-13 years which is enough to bankrupt a city

Action: The Committee approved the recommendations.

I. Review of additions to Council Committee Agendas/Workplans

1. Community and Economic Development Committee
2. Neighborhood Services and Education Committee
3. Transportation and Environment Committee
4. Public Safety, Finance and Strategic Support Committee
 - a. **Add and approve "MGPTF Strategic Work Plan, Action Collaboration Transformation 2011-2013" to the June 16, 2011 Public Safety, Finance & Strategic Support Committee agenda.**

Documents Filed: Memorandum from Deputy City Manager, Norberto Duenas to the Rules and Open Government Committee dated May 10, 2011 regarding BEST and MGPTF Evaluation Report and Resource Allocation

Action: The Committee approved the addition of the MGPTF Strategic Workplan, Action Collaboration transformation 2011-2013 to the June 16, 2011 Public Safety, Finance and Strategic Support Committee Agenda

5. Rules and Open Government Committee
None.

J. Open Government

1. Appeals of Public Records Act Requests
None.

K. Open Forum

Public Comments: David Wall discussed the issue of vagrancy at St. James Park.

L. Adjournment

The meeting was adjourned at 2:56 p.m.



Mayor Chuck Reed
Rules and Open Government Committee